

VILLAGE OF BROADVIEW

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended April 30, 2011

Net change in fund balances - total governmental funds	\$ (240,561)
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Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net assets the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements.	633,302
Depreciation is reported in the government-wide financial statements.	(456,270)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(49,740)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Payment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Debt issued	(870,000)
Debt principal paid	4,060,000

Some of the bonds issued in the current year are accretion bonds. Accretion of the bonds during the year increases the carrying value of the bonds and will be repaid using future year resources. The current year's accretion is charged to interest expense in the Statement of Activities.	(17,045)
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Governmental funds report debt premiums, discounts and issuance costs as other financing sources (uses) or expenditures. However, in the statement of net assets, these are deferred and reported as other assets or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Debt discount and issuance costs	(45,588)
Amortization	12,161

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	43,028
Net OPEB Obligation	(45,640)
Accrued interest on debt	51,012
Net Pension Obligation	225,648

An increase in the expense of the pension contribution is recognized in the entity-wide Statement of Net Assets as an increase in the net pension asset.	<u>177,884</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,478,191</u>
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See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

STATEMENT OF NET ASSETS PROPRIETARY FUND April 30, 2011

	Business-type Activities - Enterprise Fund <u>Water and Sewerage</u>
ASSETS	
Current Assets	
Cash and investments	\$ 2,624,432
Receivables (net of allowance)	
Accounts	131,014
Due from garbage fund	<u>100,000</u>
Total Current Assets	<u>2,855,446</u>
Noncurrent Assets	
Capital Assets	
Land	68,195
Buildings and improvements	16,885
Machinery, equipment and furnishings	635,700
Infrastructure	9,954,016
Less: Accumulated depreciation	<u>(5,139,344)</u>
Total Noncurrent Assets	<u>5,535,452</u>
Total Assets	<u>8,390,898</u>
LIABILITIES	
Current Liabilities	
Accounts payable	145,762
Accrued interest payable	5,613
Revenue bonds - current portion	<u>89,429</u>
Total Current Liabilities	<u>240,804</u>
Total Liabilities	<u>240,804</u>
NET ASSETS	
Invested in capital asset, net of related debt	5,446,023
Unrestricted	<u>2,704,071</u>
TOTAL NET ASSETS	<u>\$ 8,150,094</u>

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS PROPRIETARY FUND

For the Year Ended April 30, 2011

	Business-type Activities - Enterprise Fund <u>Water and Sewerage</u>
OPERATING REVENUES	
Water sales	\$ 2,177,004
Sewer charges	384,282
Penalties	33,169
Miscellaneous	<u>126,733</u>
Total Operating Revenues	<u>2,721,188</u>
OPERATING EXPENSES	
Source of supply	1,105,402
Transmission and distribution	81,115
Customer accounting and collections	13,242
Personnel services	87,156
Contractual services	1,000
Commodities	136
Depreciation	<u>261,728</u>
Total Operating Expenses	<u>1,549,779</u>
Operating Income	<u>1,171,409</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	5,308
Interest expense	<u>(5,541)</u>
Total Nonoperating Revenues (Expenses)	<u>(233)</u>
Income Before Contributions	<u>1,171,176</u>
CONTRIBUTIONS	
Capital paid in by municipality	<u>90,000</u>
Total Contributions	<u>90,000</u>
Change in Net Assets	1,261,176
NET ASSETS - Beginning of Year	<u>6,888,918</u>
NET ASSETS - END OF YEAR	<u>\$ 8,150,094</u>

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2011

	Business-type Activities - Enterprise Fund <u>Water and Sewerage</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 2,752,902
Paid to suppliers for goods and services	(1,220,899)
Paid to employees for services	<u>(62,121)</u>
Net Cash Flows From Operating Activities	<u>1,469,882</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>5,308</u>
Net Cash Flows From Investing Activities	<u>5,308</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Loaned to garbage fund	<u>(100,000)</u>
Net Cash Flows From Noncapital Financing Activities	<u>(100,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Debt retired	(86,302)
Interest paid	(5,541)
Acquisition and construction of capital assets	<u>(749,616)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(841,459)</u>
Net Change in Cash and Cash Equivalents	533,731
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,090,701</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,624,432</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Fund <u>Water and Sewerage</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 1,171,409
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities	
Depreciation	261,728
Changes in assets and liabilities	
Accounts receivable	31,714
Accounts payable	<u>5,031</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ <u>1,469,882</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
During the year the CDBG contributed \$90,000 in capital assets to the Water and Sewerage Fund.	\$ <u>90,000</u>

VILLAGE OF BROADVIEW

STATEMENT OF NET ASSETS FIDUCIARY FUNDS April 30, 2011

	Pension Trusts	Agency Fund
ASSETS		
Cash	\$ 743,917	\$ 14,585
Investments		
Money markets	1,180,147	-
State and local obligations	1,047,346	-
U.S Government securities	17,766,577	-
Mutual funds	16,369,020	-
Stocks	1,906,575	-
Receivables - (net)		
Accrued interest	152,442	-
Assessment receivable	-	18,479
Prepaid items	12,788	-
Due from primary government	1,523,421	300,000
Reserve for uncollectibles	(1,523,421)	-
Total Assets	<u>39,178,812</u>	<u>333,064</u>
LIABILITIES		
Accounts payable	7,254	-
For special assessment expenditures	-	280,463
Special assessment bonds payable	-	52,601
Total Liabilities	<u>\$ 7,254</u>	<u>\$ 333,064</u>
NET ASSETS		
Held in trust for pension benefits (a schedule of funding progress is presented in the required supplementary information)	<u>\$ 39,171,558</u>	<u>\$ -</u>

VILLAGE OF BROADVIEW

STATEMENT OF CHANGES IN NET ASSETS FIDUCIARY FUNDS For the Year Ended April 30, 2011

	<u>Pension Trusts</u>
ADDITIONS	
Contributions	
Employer and other	\$ 2,674,080
Plan members	353,660
Refunds	<u>17,880</u>
Total Contributions	<u>3,045,620</u>
Investment income	
Interest and dividends	927,884
Net appreciation in fair value of investments	<u>3,097,377</u>
Total Investment Income	4,025,261
Less Investment expenses	<u>(97,442)</u>
Net Investment Income	<u>3,927,819</u>
Total Additions	<u>6,973,439</u>
DEDUCTIONS	
Administration	101,568
Benefits	<u>3,178,981</u>
Total Deductions	<u>3,280,549</u>
Change in Net Assets	3,692,890
NET ASSETS - Beginning of Year	<u>35,478,668</u>
NET ASSETS - END OF YEAR	<u>\$ 39,171,558</u>

See accompanying notes to financial statements.

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VILLAGE OF BROADVIEW

INDEX TO NOTES TO FINANCIAL STATEMENTS April 30, 2011

NOTE	Page
I Summary of Significant Accounting Policies	31
A. Reporting Entity	31
B. Government-Wide and Fund Financial Statements	33
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	35
D. Assets, Liabilities, and Net Assets or Equity	37
1. Deposits and Investments	37
2. Receivables	40
3. Prepaid Items	41
4. Restricted Assets	41
5. Capital Assets	42
6. Compensated Absences	42
7. Long-Term Obligations/Conduit Debt	43
8. Claims and Judgments	43
9. Equity Classifications	44
10. Property Held for Resale	44
II Stewardship, Compliance, and Accountability	45
A. Budgetary Information	45
B. Excess Expenditures Over Appropriations	45
C. Deficit Balances	46
III Detailed Notes on All Funds	47
A. Deposits and Investments	47
B. Receivables	51
C. Capital Assets	52
D. Interfund Receivables/Payables, Advances and Transfers	54
E. Long-Term Obligations	56
F. IEPA Brownsfield revolving loan	60
IV Other Information	60
A. Employees' Retirement System	60
B. Risk Management	66
C. Commitments and Contingencies	66
D. Other Postemployment Benefits	67
E. Subsequent Events	69
F. Tax Increment Financing District	69
G. Effect of New Accounting Standards on Current-Period Financial Statements	69

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VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Broadview, Illinois (the "Village") was incorporated in 1914. The Village is a non home-rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The Village operates under a Mayor-Trustee form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Village of Broadview, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the Village of Broadview. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements the village does not have any discretely presented component units to include within these financial statements to emphasize that it is legally separate from the primary government.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Blended Component Units

The Police Pension Employees Retirement System (PPERS) is established for the Village's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The Village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund.

Complete financial statements for the component unit may be obtained at the entity's administrative offices:

Police Pension Board
2350 South 25th Street
Broadview, IL

The Firefighters' Pension Employees Retirement System (FPERS) is established for the Village's firefighters. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one pension beneficiary elected by the membership, and two fire employees elected by the membership constitute the pension board. The Village and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's firefighters because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund.

Complete financial statements for the component unit may be obtained at the entity's administrative offices:

Firefighters' Pension Board
2400 South 25th Street
Broadview, IL

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS April 30, 2011

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

- c. In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

- General Fund - accounts for the Village's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- 22nd and 17th Avenue TIF Redevelopment Fund - is used to account for incremental real estate and sales tax revenues received from Village Square Tax Increment Financing District that are to be used for the development of the Redevelopment Project Area at 22nd Street and 17th Avenue.
- Roosevelt Road TIF Fund - is used to account for incremental real estate tax revenues received from Roosevelt Road Tax Increment Financing District that are to be used for the development of the Redevelopment Project Area at Roosevelt Road.
- Debt Service Fund - accounts for resources accumulated and payments made for principal and interest on long-term debt other than TIF or enterprise fund debt.
- Capital Projects Fund - is used to account for the resources accumulated and payments made for major capital purchased for governmental operations.

The Village reports the following major enterprise fund:

- Water and Sewerage Fund - accounts for operations of the sewerage and collection systems, and the water distribution system.

The Village reports the following non-major governmental funds:

- Special Revenue Funds - used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Garbage
Motor Fuel Tax

Emergency Telephone System
27th / 23rd Street TIF Redevelopment

Illinois Municipal Retirement
Community Development Block Grant
(CDBG)

17th Avenue North TIF Redevelopment
19th Avenue TIF Redevelopment

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS April 30, 2011

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

In addition, the Village reports the following fund types:

Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Police Pension Fund
Firefighters' Pension Fund

Agency funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Special Assessment

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.